

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1789-01
Bill No.: HB 706
Subject: Revenue Dept.; Taxation and Revenue - Sales and Use; Water Resources and Water Districts
Type: Original
Date: May 11, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	UNKNOWN	UNKNOWN	UNKNOWN

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation as worded would authorize cities imposing a storm water, capital improvement or transportation sales tax to impose a sales tax on utilities. DOR assumes there would be no administrative impact to the Department of Revenue because of this legislation. DOR states the fiscal impact is unknown.

Officials of the **Office of Administration, Budget and Planning (BAP)** state this bill deals with local sales taxes and will not have any impact on state revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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CITIES AND COUNTIES

Revenue - sales tax on utilities	Unknown	Unknown	Unknown
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FISCAL IMPACT - Small Business

Small businesses that own utility companies could be impacted as a result of this proposal.

DESCRIPTION

This bill expands the number of jurisdictions that are authorized to impose a sales tax on all sales of metered water services; electricity; electrical current; and natural, artificial, or propane gas, wood, coal, or home heating oil for domestic use only. Current law only authorizes cities or counties imposing general sales taxes to impose this tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
May 11, 2001